

## Message Text

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PAGE 01 BONN 06186 161730Z

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

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R 161714Z APR 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9445

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION USBERLIN

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E.O. 11652: N/A

TAGS: EAIR, WB, GW, US

SUBJECT: CIVAIR: PAN AMERICAN AGENTS INCENTIVE

COMMISSION PLAN DISAPPROVED BY MINISTRY OF TRANSPORT.

1. PAA BERLIN MANAGER RUNNETTE INFORMED EMB CAA THAT FRG MINISTRY OF TRANSPORT HAS REFUSED TO AUTHORIZE AN AGENTS INCENTIVE COMMISSION PLAN UNDER WHICH PAN AMERICAN WOULD HAVE GRANTED IATA TRAVEL AGENTS DURING PERIOD APRIL 1 - DECEMBER 31, 1975 AN ADDITIONAL 3 PERCENT COMMISSION FOR THAT PORTION OF MONTHLY PAA TICKET SALES (OTHER THAN BERLIN AND CHARTERS) IN EXCESS OF 90 PERCENT OF SALES FOR THE CORRESPONDING MONTH OF 1974.

2. MINISTRY OF TRANSPORT BASED ITS REFUSAL ON CONTENTION THAT PAA INCENTIVE PLAN IS IN VIOLATION OF FRG AERO-NAUTICS ACT, AS WELL AS ARTICLES LL(A), LL(B) AND LL(C) OF US-FRG BILATERAL AIR TRANSPORT AGREEMENT.

3. RUNNETTE HAS HEARD THAT OTHER ECAC COUNTRIES ARE TAKING SIMILAR ACTION TO PROHIBIT PAA INCENTIVE PLAN, WHICH IS BEING INTRODUCED WORLD-WIDE, AND THAT A SPECIAL MEETING OF THE IATA COUNCIL WILL CONSIDER THE MATTER ON APRIL 18. HE ADDED THAT PAA MAY REQUEST GERMAN COURT

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PAGE 02 BONN 06186 161730Z

INJUNCTION AGAINST THE MINISTRY OF TRANSPORT'S ORDER.

HE HOPED, HOWEVER, THAT THE DEPARTMENT OF STATE WOULD INTERPRET THE BILATERAL AS PERMITTING THE INCENTIVE COMMISSION SCHEME AND WOULD AUTHORIZE THE EMBASSY TO MAKE APPROPRIATE REPRESENTATIONS TO THE MINISTRY OF TRANSPORT. HE SAID THAT PAA'S HOME OFFICE HAS ALREADY SOUGHT THE DEPARTMENT'S VIEWS. COMMENT: PAA'S NOTIFICATION TO GERMAN IATA AGENTS WAS MADE WITHOUT PRIOR CONSULTATION WITH THE MINISTRY OF TRANSPORT AND APPARENTLY ONLY A FEW DAYS AFTER THE COMPANY HAD NOTIFIED IATA THAT IT NO LONGER CONSIDERS ITSELF BOUND BY EXISTING IATA RESOLUTIONS RE PASSENGER TICKETS AND AGENTS COMMISSIONS. PAA LOCAL MANAGER FELT HE HAD NO OBLIGATION TO SEEK FRG APPROVAL SINCE IN HIS VIEW COMMISSIONS DO NOT FORM AN INTEGRAL PART OF THE RATE STRUCTURE, AND ARE THEREFORE EXEMPT FROM THE NOTIFICATION REQUIREMENTS SET FORTH IN THE BILATERAL AND THE FRG AERONAUTICS ACT. ACTION REQUESTED: DEPARTMENT'S VIEWS. HILLENBRAND

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## Message Attributes

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